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SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From:  
Securities and Exchange Commission  
Office of Investor Education and Advocacy  
Washington, DC 20549-0213

Extension: Rule 17g-7

SEC File No. 270-600, OMB Control No. 3235-0656

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (“PRA”) (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for approval of extension of the previously approved collection of information provided for in Rule 17g-7, (17 CFR 240.17g-7), under the Securities Exchange Act of 1934 (“Exchange Act”) (15 U.S.C. 78a et seq.).

Rule 17g-7 requires nationally recognized statistical rating organizations (“NRSROs”) to include in any report accompanying a credit rating with respect to an asset-backed security (“ABS”) (as that term is defined in Section 3(a)(77) of the Exchange Act) a description of the representations, warranties and enforcement mechanisms available to investors and a description of how they differ from the representations, warranties and enforcement mechanisms in issuances of similar securities. Rule 17g-7 potentially applies to each of the 10 NRSROs currently registered with the Commission.<sup>1</sup>

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<sup>1</sup> When the Commission first adopted rules under the Credit Rating Agency Reform Act of 2006, it estimated that approximately 30 credit rating agencies ultimately would be registered as NRSROs. See Oversight of Credit Rating Agencies Registered as Nationally Recognized Statistical Rating Organizations, Release No. 34-55857 (Jun. 5, 2007), 72 FR 33564, 33607 (Jun. 18, 2007). Accordingly, the Commission used 30 respondents for purposes of calculating its

Commission staff estimates that the 10 currently-registered NRSROs would each spend an average of approximately 100 hours per year reviewing and updating benchmarks for various types of securities for purposes of comparing representations, warranties, and enforcement mechanisms, resulting in an annual industry-wide reporting burden of 1,000 hours (10 respondents X 100 hours/respondent). On a deal-by-deal basis, Commission staff estimates that it would take each NRSRO an average of approximately: (i) One hour to review each ABS transaction to review the relevant disclosures prepared by an issuer, which an NRSRO would review as part of the rating process, and convert those disclosures into a format suitable for inclusion in any report to be issued by an NRSRO, and (ii) 10 hours per ABS transaction to compare the terms of the current deal to those of similar securities. When the Commission adopted Rule 17g-7, it estimated the average annual number of ABS offerings to be 2,067 and the average number of credit ratings per issuance of ABS to be four, resulting in 8,268 annual responses.<sup>2</sup> Commission staff believes that these estimates continue to be valid and, accordingly, estimates that the total industry-wide annual reporting burden of complying with the disclosure requirements under Rule 17g-7 is 90,948 hours (8,268 responses X 11 hours/response). As a result, Commission staff estimates a total aggregate burden of 91,948 hours per year for

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PRA burden estimates when it adopted Rule 17g-7. See Disclosure for Asset-Backed Securities Required by Section 943 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Release No. 33-9175; 34-63741 (Jan. 20, 2011), 76 FR 4489, 4506 (Jan. 26, 2011) (“Rule 17g-7 Adopting Release”). Since that time, 10 credit rating agencies have registered with the Commission as NRSROs. This number has remained constant for several years. Consequently, when the Commission last proposed rules regarding the oversight of NRSROs, it stated that it believed it to be more appropriate to use the actual number of NRSROs for purposes of the PRA. See Proposed Rules for Nationally Recognized Statistical Rating Organizations, Release No. 34-64514 (May 18, 2011), 76 FR 33420, 33499 (Jun. 8, 2011) (stating that “while the Commission expects several more credit rating agencies may become registered as NRSROs over the next few years, the Commission preliminarily believes that the actual number of NRSROs should be used for purposes of the PRA.”).

<sup>2</sup> See Rule 17g-7 Adopting Release, 76 FR at 4508.

complying with the rule (1,000 hours for reviewing and updating benchmarks + 90,948 hours for complying with disclosure requirements).

Compliance with Rule 17g-7 is mandatory. Responses to the information collection will not be kept confidential and there is no mandatory retention period for the collection of information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following website: [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an e-mail to: [Shagufta\\_Ahmed@omb.eop.gov](mailto:Shagufta_Ahmed@omb.eop.gov); and (ii) Thomas Bayer, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street, NE Washington, DC 20549, or by sending an e-mail to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 30 days of this notice.

Dated: April 22, 2014.

Kevin M. O'Neill,  
Deputy Secretary.